

CIRCULAR LETTER

To

ALL SHARIA COMMERCIAL BANKS AND SHARIA BUSINESS UNITS

Subject : Amendment to Bank Indonesia Circular Letter Number 10/17/DPM
dated March 31, 2008 concerning Procedures for Bank Indonesia
Sharia Certificate Repo Transaction with Bank Indonesia

In relation to Bank Indonesia Regulation Number 10/11/PBI/2008 concerning Bank Indonesia Sharia Certificate (State Gazette of the Republic of Indonesia Year 2008 Number 50, Supplement to State Gazette of the Republic of Indonesia Number 4835) as amended by Bank Indonesia Regulation Number 12/18/PBI/2010 dated August 30, 2010 (State Gazette of the Republic of Indonesia Year 2010 Number 108) as well as in order to harmonize the provisions on monetary operations, it is necessary to amend several provisions, Appendix 2 and Appendix 3 to Bank Indonesia Circular Letter Number 10/17/DPM dated March 31, 2008 concerning Procedures for Bank Indonesia Sharia Certificate Repo Transaction with Bank Indonesia, as follows:

1. The provision of Roman number V number 2 point b.10) shall be amended so that it shall be read as follows:

- 10) In the event that Bank Indonesia makes an early redemption, Bank Indonesia shall pay SBIS return to BUS or UUS up to 1 (one) business days prior to the early redemption (T-1).
2. The provision of Roman number VI shall be amended so that it shall be read as follows:

VI. SANCTIONS

1. Any BUS or UUS failing to meet the obligations as referred to in point V.2.a.4) and point V.2.b.4) shall be subject to sanctions in the forms of:
 - a. A written reprimand, with a copy to:
 - 1) Directorate of Sharia Banking (DPbS), in the event that the sanction is imposed on a BUS or UUS having its head office in the operational area of Bank Indonesia Head Office (KPBI); or
 - 2) Bank Supervisory Team at Bank Indonesia Regional Office (KBI), in the event that the sanction is imposed on a BUS or UUS having its head office in the operational area of Bank Indonesia Regional Office (KBI); and
 - b. a financial penalty of 0.01% (one per tenth thousandth) of the cancelled settlement value, with the minimum amount of Rp10,000,000.00 (ten million rupiah) and

the maximum amount of Rp100,000,000.00 (one hundred million rupiah) for each cancellation.

2. Without prejudice to the sanctions as referred to item VI.1, in the event that a BUS or UUS has made cancelled SBIS Repo Transaction and/or other cancelled sharia monetary operations transactions as referred to in Bank Indonesia Regulation concerning sharia monetary operations three times during period of 6 (six) month-tenure, the BUS or UUS shall be subject to temporary suspension of its participation in sharia monetary operations for 5 (five) consecutive business days.
 3. The written reprimand as referred to in item VI.1.a and notification of temporary suspension of its participation in sharia monetary operations as referred to in point VI.2 shall be delivered on 1 (one) business days following the cancellation of transaction.
 4. The financial penalty as referred to in item VI.1.b shall be imposed by debiting the demand deposit account of the BUS or UUS being subject to the sanction on 1 (one) business day following the cancellation of settlement through BI-SSSS.
3. Appendix 2 shall be amended to be as set out in Appendix 2 to this Bank Indonesia Circular Letter.

4. Appendix 3 shall be amended to be as set out in Appendix 3 to this Bank Indonesia Circular Letter.

The provisions set forth in this Bank Indonesia Circular Letter shall be effective on August 30, 2010.

For public cognizance, it is ordered that this Bank Indonesia Circular Letter be promulgated in the State Report of the Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA,

HENDAR

DIRECTOR OF MONETARY MANAGEMENT